GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:713
ANSWERED ON:28.07.2005
LOSSES DUE TO MISMANAGEMENT IN OIL COMPANIES
Mehta Shri Bhubneshwar Prasad

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether attention of the Government has been drawn to the news-item appearing in the 'Dainik Jagran' dated May 12,2005 wherein it has been stated that due to mismanagement, the public sector oil companies have been incurring losses worth crores of rupees;

(b) if so, whether any inquiry has been conducted in the matter;

(c) if so, the outcome thereof and the action taken against the erring persons ; and

(d) the directives issued by the Government to oil PSUs to check losses due to mismanagement ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): The news item regarding mismanagement of the Public Sector Oil Companies which appeared in 12th May, 2005 edition of 'Dainik Jagaran' relates to the observations made on the basis of the annual audit by the C&AG. Most of the PSUs in the oil sector have been conferred Navratna and Miniratna status. These PSUs have been granted considerable financial and administrative autonomy in order to empower them to take sound commercial decisions quickly. The audit paras relate to individual commercial decisions taken at a particular point of time brought to the notice of the Government by these observations.

(c) & (d):- Remedial action on the audit observations is initiated by the Government after detailed scrutiny of these cases in consultation with the PSU concerned and the C&AG. This process is underway.